

CENTRAL INTELLIGENCE AGENCY 25X1 REPORT

COUNTRY Yugoslavia

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1. On 7 July the War Industries Department of the Yugoslav Ministry of Defense was instructed by Colonel-General Gosnjak on Tito's orders to submit to the Yugoslav Council of Ministers a list of industrial undertakings which, in the interests of the State, are to come under the complete control of the above Department before the end of 1948.
2. This list, which covers in particular factories whose production has fallen below the scheduled output, includes the following enterprises:
 - Aluminium factory at Sibenik
 - Steel mills at Jesinice
 - "Tigar" tire factory at Piro
 - "Teleoptik" optical instruments factory at Zemun
 - "Pliva" medical equipment works at Belgrade
 - Cable works at Novi Sad
 - Maribor Metallurgical Combinat
3. The list also includes war plants which have for some time been under military administration and in which it is proposed to make managerial changes. They are as follows:
 - "Zorka" Chemical factory
 - No. 3 Powder and Explosives plant
 - Military Tank Repair shops at Nis
 - "Prvomajsk" Central Artillery shops at Sarajevo.
4. Before its submission to the Council of Ministers, the list was examined on 27 August at the meeting of the Central Committee of the Yugoslav Communist Party, when explanatory details were given by Colonel Sredoje Pekic, representing the War Industries Department.
5. The Central Committee expressed its wish that all managers of the industrial undertakings concerned should be members of the Yugoslav Communist Party whose loyalty was beyond doubt.

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